

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: RHODE ISLAND

MORE LIBERAL METHODS OF TREATING RESOURCES  
UNDER SECTION 1902(r)(2) OF THE ACT

☐ Section 1902(f) State ☒ Non-Section 1902(f) State

A. Groups To Which the More-Liberal Methodologies Apply

The resource evaluation methodologies described in B., and C., below apply to all AFDC-related and SSI-related Medically Needy Groups, Qualified Medicare Beneficiaries and all AFDC-related and SSI-related Categorically Needy Groups except cash assistance recipients and deemed cash assistance recipients.

B. Resource Evaluation Methodology

If a client's countable resources exceed the appropriate limit as of the first moment of the first day of any month, the client is not eligible for that month, except as provided in the resource reduction methodology in C., below.

C. Resource Reduction Methodology

If an applicant or recipient is found to be ineligible due to countable resources in excess of the limit as of the first moment of the month, eligibility may be established no earlier than the first day of the month of application based on the following criteria.

1. An applicant/recipient whose resources exceed the resource limitation may establish eligibility on the basis of resources if:
  - a. he or she incurs (or has incurred and outstanding) allowable medical bills or fees that equal or exceed his excess resources (See 3., below); and
  - b. he or she reduces his or her excess resources to the appropriate resource limit by payment of the allowable expenses or fees, and
  - c. he or she submits verification thereof within thirty days of the date of the rejection or closing notice.
2. An individual who meets these requirements will be eligible on the basis of resources as of the date his or her incurred allowable expenses equalled or exceeded the amount of his or her excess assets, subject to verification that the excess resource was actually expended on the allowable expense. In no event shall the first day of eligibility be earlier than the first day of the month of application. (e.g., A client cannot establish eligibility by resource reduction in the retroactive period.)
3. Only certain expenses may be used to establish eligibility by reduction of excess resources. These expenses are as follows.
  - a. Medical Expenses that would be allowed under the policy on the Flexible-test of income. See Section 301.3.

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b. Certain fees required for an individual to make income or resources available. They are:

- i. Guardianship/Conservatorship Costs. Individuals who have court-appointed guardians or conservators are required pay for court-approved guardian/conservator's fees or court-ordered fees relating to the guardianship/conservatorship. Such fees include but are not limited to court filing fees, the cost of a Probate Bond, court-approved guardianship/conservatorship fees, and court-approved legal fees. Staff, in consultation with the Regional Manager, may consider allowable court-approved expenses up to the **lesser** of 15% of the individual's monthly income, or \$125 monthly. In the event that the amount of court-approved expenses exceed this limit, the case must be referred to the Resource Unit within the Office of Legal Services for a decision on the amount of the allowable deduction.
  - ii. Legal Fees. Individuals who incur legal fees resulting from legal action to obtain income or resources for their support may expend excess resources to pay such fees.
  - iii. Tax Assessments. Individuals ordered by the Internal Revenue Service, the Rhode Island Division of Taxation, or other State or municipal taxing authority to pay income taxes may expend excess resources to pay the taxes.
4. Medical Assistance is not responsible for payment of that portion of the medical bills equal to the amount of the excess assets. The bills used to establish eligibility cannot be incurred earlier than the first day of the third month prior to the date of an application that is eventually approved and may not be the same portions of the bills that are used to meet an income spenddown.

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